British Columbia Development Corporation

Ninth Annual Report 1983

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Expansion at Stuart Plastics Ltd. of New Westminster, a long time loan client of the British Columbia Development Corporation, recent expansion to a new plant in Burnaby was assisted by a $500,000 LIEF loan.

The Honourable Henry Bell-Irv[illegible].E., E.D.

Lieutenant-G[illegible]ish Columbia.

MAY IT PLEASE YOUR HONOUR:

I beg to submit the ninth An[illegible]
of the British Columbia Development Corpor[illegible]
fiscal year ended March 31, 1983.

[illegible]

[illegible] of Industry and Small
[illegible] Development.

Province of
British Columbia

OFFICE OF THE MINISTER

Ministry of Industry
and Small
Business Development

Parliament Buildings
Victoria
British Columbia
V8V 1X4

To the Honourable Henry Bell-Irving, D.S.O., O.B.E., E.D.
Lieutenant-Governor of British Columbia.

MAY IT PLEASE YOUR HONOUR:

I beg to submit the ninth Annual Report
of the British Columbia Development Corporation for the
fiscal year ended March 31, 1983.

Minister of Industry and Small
Business Development.

CHAIRMAN'S REPORT

Commitment to Employment Growth Continues

Employment has been the most pressing concern of British Columbians over the past year. Dependent to a large degree on export markets, the resource based B.C. economy has been hard hit by the world recession. The resulting rise in unemployment has had profound effects on the Province, with skilled men and women being put out of work. Once-thriving enterprises slowed or came to a halt, and the future became uncertain for many young British Columbians about to enter the workforce.

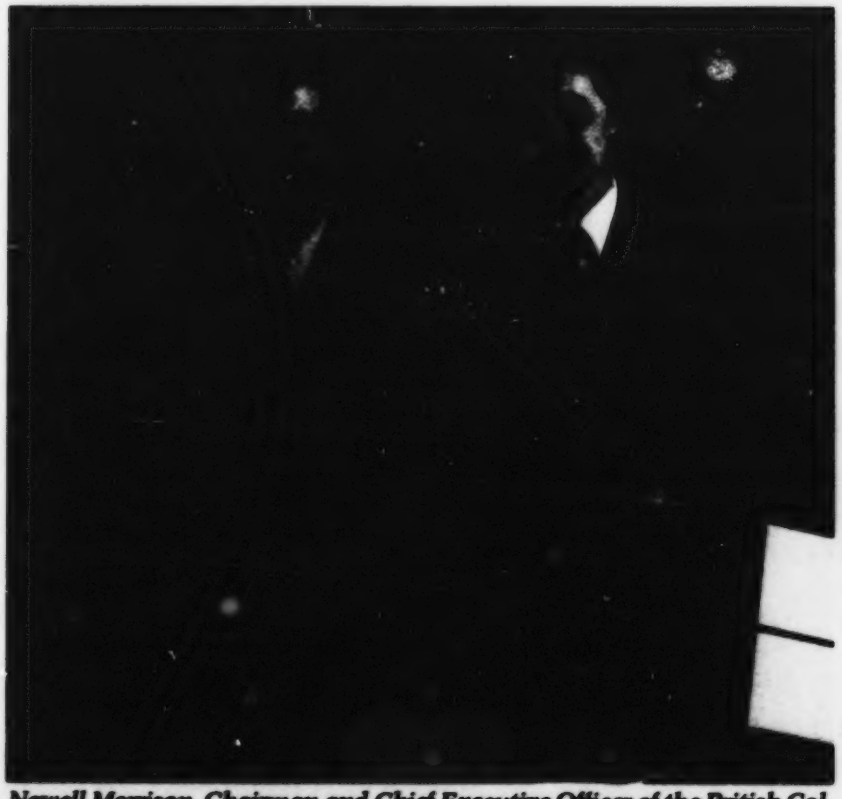
Employment is also a major concern of the British Columbia Development Corporation. Helping to create and preserve jobs in the Province, by stimulating employment opportunities, the Development Corporation concentrates on areas that can help diversify the economy, and reduce the Province's dependence on primary industry.

Since the private sector is the most efficient and stable creator of long term jobs, the Corporation's activities are geared towards encouragement of private sector expansion – through business financing, through developing land for industry, and through managing large scale projects that are designed primarily to open up opportunities for private sector participation.

During the past year the B.C. Development Corporation continued its activities in these three areas, even though 1982–83 saw a general slump in the demand for industrial land and new expansion financing of B.C. companies, as well as a reduction in the ability of the private sector to participate in large scale projects.

Financing Role Grows

In addition to its conventional lending programs, the British Columbia Development Corporation assumed responsibility for handling a new provincial government program in 1982. With $190 million available for loans, LIFT (Low Interest Funding Today) was introduced last fall to provide low



Newell Morrison, Chairman and Chief Executive Officer of the British Columbia Development Corporation, with John Redworth, recently appointed Executive Vice-President.

Development Corporation Vice-Presidents Jim Wong and Jim McLean.

A loans client of the B.C. Development Corporation and a tenant of the Corporation's Marine Technology Centre, Sea-I Research (Canada) Ltd. has developed highly specialized equipment for underwater exploration.

fixed cost loans to B.C. companies.

By March 31st, thousands of inquiries had been handled and 128 LIFT loans had been processed for a total of close to $28 million.

Building a Framework for Development

A key objective in the Corporation's management of large scale projects has been to pave the way for *private* sector participation, thereby opening up new opportunities for all kinds of businesses.

In the light of difficulties confronting the private sector during the past year, progress at some projects has slowed. B.C. Development Corporation's participation has continued, however, and the long term goals remain the same.

In 1982–83 the Corporation completed site servicing at Duke Point – the new seaport and industrial land complex at Nanaimo – and continued these activities at the urban redevelopment projects at Westminster Landing in New Westminster and Lonsdale Quay in North Vancouver.

Ongoing preparation of these areas has provided much needed construction jobs. A solid framework for development will be in place as the economy turns around and as the private sector is once again in a position to resume its role.

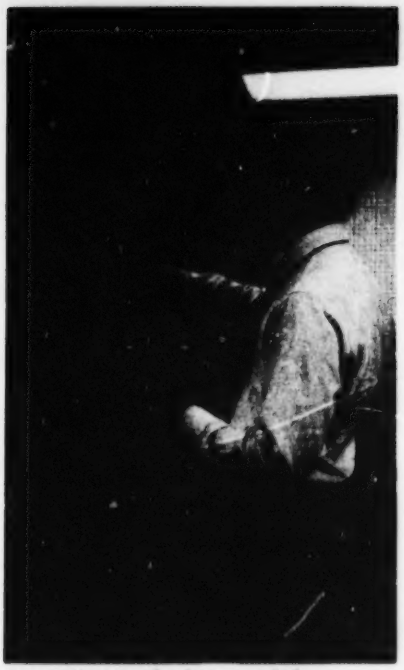
At Prince Rupert, the Development Corporation has continued to assist in facilitating petrochemical port development on South Kaien Island, and liquefied natural gas (LNG) terminal development at Grassy Point, as well as contributing to the preparation of a Sub-Regional Growth Management Plan.

And through its Marine Technology Centre at Patricia Bay on Vancouver Island, the Corporation has continued to provide unique facilities to a range of tenants in marine and high technology industries.

Land to Accommodate Industry

In its role as an industrial land developer, the Development Corporation continued its efforts to provide industrial land throughout B.C. – properly zoned and serviced land essential to business expansion and to attracting new businesses to the Province.

Activities included continued evaluation of sites in northern B.C. for potential future development – to meet the specific requirements of smaller municipalities. In addition, major construction activity is occurring at Tumbler Ridge, where industrial land is being developed to accommodate businesses servicing the North East Coal Development.



Investing in the future of the Province through support for the high technology sector, the Development Corporation recently made a $300,000 LIFT loan to Westronic Systems Ltd. – a Vancouver manufacturer of digital electronic systems.

By maintaining its industrial land activities, the B.C. Development Corporation was in an excellent position to offer a site at its Tilbury Industrial Park to Toyota last year. Toyota chose the location for a new automotive parts plant – the company's first venture of this kind in Canada. The 5.7-hectare land sale was a significant step: this sophisticated manufacturing process, using aluminum and electricity, is the *kind* of industry B.C. needs for long term growth, and Toyota's move helps diversify the economy.

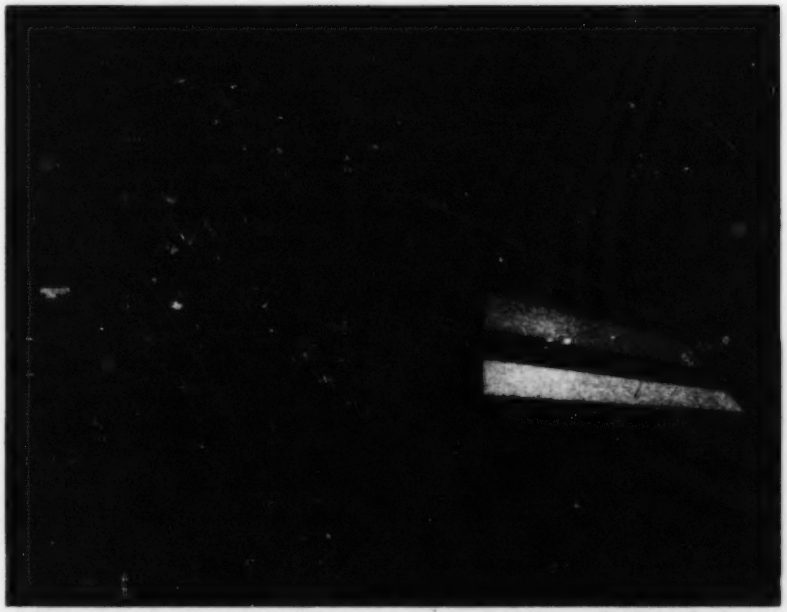
Keeping Pace with Recovery

Since the beginning of 1983, indications of an economic recovery have been encouraging and prospects for renewed growth in the private sector are positive once again.

As recovery builds, and the economy stabilizes, the British Columbia Development Corporation will seek out new development opportunities in its continued commitment to employment growth.

MARINE TECHNOLOGY CENTRE

Tenants	Activities
Candel Industries Limited	Design and manufacture of environmental and process monitoring systems.
Cantech Scientific Instruments Ltd.	Machine shop; design and assembly of research equipment.
Dobrocky Seatech Limited	Oceanographic and environmental consulting.
E. V. S. Consultants Ltd.	Environmental impact assessment and consulting; pollution and toxicity assessment.
Geoterrex Ltd.	Marine, ground, and airborne geophysical surveys and interpretation.
Renewable Resources Consulting Services Ltd.	Natural resource management and ecological consulting.
RSI Robotic Systems International Ltd.	Design, development, manufacture, and marketing of robotic manipulators and control systems.
Sea-I Research (Canada) Ltd.	Underwater search and inspection using a remote controlled vehicle which was developed and produced by Sea-I.
Walker Industrial Computing Ltd.	Development and production of microprocessor-based measurement and control systems.
Western Ecological Services (British Columbia) Ltd.	Ecological field work, surveys, and original research.



Adjacent to the Institute of Ocean Sciences in Sidney, the Development Corporation's Marine Technology Centre was specifically designed to accommodate marine related and high technology industries.

INDUSTRIAL PARK LAND

Location	Hectares sold	Hectares available for immediate sale	Hectares for future development
Ashcroft	3	4	–
Chetwynd	17	11	57
Delta	71	24	65
Nanaimo–Duke Point	47	92	–
Fort Nelson	–	–	127
Houston	5	11	–
Kamloops	9	12	125
Kelowna	–	8	14
Langley	–	4	18
Maple Ridge	1	11	30
Merritt	18	12	–
Pemberton	–	29	–
Prince Rupert	40	4	18
Trail	1	12	–
Tumbler Ridge	2	10	26
Total	214	244	480

Board of Directors

*Member of Executive Committee

Newell R. Morrison*
(Chairman)

Michael McGillivray*
(Vice-Chairman)
Partner, Deloitte Haskins & Sells

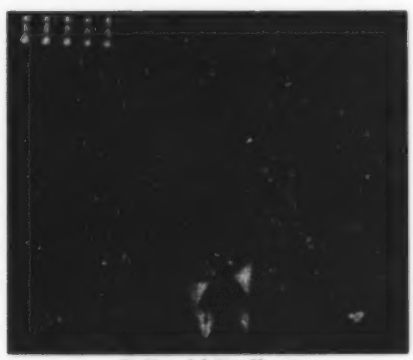
The Honourable Donald M. Phillips
Minister of Industry and
Small Business Development

J. Patrick Curell
President
Braemar Construction Ltd.

William H. McRae*
Business Executive

Harbanse S. Doman*
President, Doman Industries Ltd.

William L. Sauder
President, Sauder Industries Ltd.



F. David Radler*
President, Sterling Newspapers Ltd.

S. Douglas Smith
Partner, Mair Janowsky Blair

F. Michael P. Warren
Partner, Owen Bird

Michael C. Burns
Management Consultant
The Sentinel Group

STATUS OF THE CORPORATION

The British Columbia Development Corporation is a Crown Corporation of the Province of British Columbia, incorporated pursuant to the Development Corporation of British Columbia Act. The Corporation encourages and assists in the establishment, expansion and continued operation of industrial enterprises in the Province.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

The financial statements of the Corporation are presented in accordance with generally accepted accounting principles.

Consolidation

The consolidated financial statements include the accounts of the Corporation and the following subsidiary companies:

The First Capital City Development Company Limited
Duke Point Development Limited
Lonsdale Quay Development Company Limited

During the year, the Corporation transferred its interest in Pacific Isotopes and Pharmaceuticals Ltd. to The Terry Fox Medical Research Foundation.

Provision for Losses on Loans and Guarantees

Loans and guarantees are reviewed on a regular basis by management. Loans are written off when known to be uncollectible. Allowances for estimated losses in respect of doubtful loans and guarantees at March 31, 1983 totalled $9,117,949 (1982 – $7,431,268).

Land and Development Projects

Land held for future development is carried at cost. Land under development, development projects and completed developments held for sale are carried at the lower of cost and estimated net realizable value. Cost represents the acquisition cost of land and capitalized development costs. Development costs include direct development expenditures, direct salaries and expenses, interest, property taxes and a proportion of other expenses.

Depreciation and Amortization

Furniture and equipment are depreciated on the straight line basis over five to ten years. Leasehold improvements are amortized over the term of the lease plus one renewal term. Depreciation of rental properties is provided on the straight line basis over their estimated useful lives of ten to twenty-five years.

Contributed Surplus

The Corporation has been designated by the Government of the Province of British Columbia as its chief agency for dealing in Crown industrial land holdings. Land acquired for development is recorded at estimated market value which is credited to contributed surplus. Land acquired for immediate resale is ascribed a value equal to 70% of net selling price which is credited to contributed surplus.

Income Recognition

Sale of land and development projects

The Corporation recognizes income on sale of land and projects when all material conditions in the agreement of purchase and sale have been fulfilled.

Property leases receivable

Leases containing options to purchase are generally considered to be financing arrangements and are accounted for as sales where there is a reasonable expectation that the option will be exercised. Total minimum lease payments receivable, excluding related unearned financing revenue, are reflected on the balance sheet as property leases receivable.

Property rentals

Rental income from each income producing property is recognized when a satisfactory level of occupancy has been achieved subject to a reasonable maximum lease-up period. Prior to that time, rental income and expenses are capitalized.

Deferred Charges

Term debt repayable in U.S. dollars is translated to Canadian dollars at the year-end exchange rate. The unrealized loss arising from exchange translation and the related costs of borrowing are deferred and amortized over the term of the debt.

Comparative Figures

Certain of the 1982 comparative figures have been reclassified to conform with the current year's presentation.

CONSOLIDATED BALANCE SHEET as at March 31, 1983

	Notes	1983	1982
Assets			
Industrial development programs			
Land and development projects	1	**$108,296,972**	$ 94,063,338
Loans to industrial enterprises		**78,526,573**	65,458,663
Property leases receivable		**6,079,031**	5,549,218
Rental properties	2	**7,169,722**	6,758,949
		200,072,298	171,830,168
Cash in banks		**719,305**	3,591,872
Accounts receivable		**4,863,714**	2,413,547
Other assets	3	**1,718,281**	2,147,513
Small business development fund	4	**8,202,676**	–
Trust assets	5	**32,282,685**	30,391,624
		$247,858,959	$210,374,724
Liabilities			
Accounts payable and accrued liabilities		**$ 9,337,904**	$ 10,422,889
Term debt	6	**143,404,080**	110,804,004
Small business development fund		**8,202,676**	–
Trust liabilities		**32,282,685**	30,391,624
		193,227,345	151,618,517
Shareholder's equity			
Share capital	7	**42,500,000**	42,500,000
Contributed surplus		**11,778,315**	9,241,052
Retained earnings		**353,299**	7,015,155
		54,631,614	58,756,207
		$247,858,959	$210,374,724
Contingent liabilities	8		

Approved by the Directors

Director H. G. Falconer

Director M. McKillop

5. Trust assets

Under an agreement with the Province of British Columbia, the Corporation acts as agent and administrator of the Low Interest Loan Assistance Program (LILA). Assets administered under this program consist of:

	1983	1982
Cash and bank term deposits	$ 3,630,713	$ 2,699,684
Loans outstanding	28,651,972	27,691,940
Total trust assets	$32,282,685	$30,391,624

Financing of the fund is provided by the Province of British Columbia.

6. Term debt

	1983	1982
Notes guaranteed by the Province of British Columbia:		
Repayable in five equal annual instalments commencing March 5, 1988, with interest at 8.95% payable semi-annually	$ 64,300,000	$ 64,300,000
less: unamortized discount based on effective interest rate of 15.75%	17,819,538	19,210,734
	46,480,462	45,089,266
Repayable December 1, 1986, with interest at 16⅞% payable semi-annually (U.S. $12,400,000)	15,204,880	15,221,000
Repayable in 1983 with interest at 11% to 14%	17,000,000	–
Notes payable to the Province of British Columbia, with interest currently at 9.7%, adjusted and payable semi-annually	44,000,000	30,000,000
Loans payable to the Province of British Columbia, pursuant to the Subsidiary Agreement on Industrial Development:		
Repayable progressively as the Corporation sells or leases its Duke Point properties, with interest at 7½%	13,000,000	13,000,000
Repayable October 16, 1990, with interest at 6⅛%, adjusted annually	2,481,000	2,481,000
Mortgages, secured by certain lands and buildings, due August 31, 1984, repayable progressively prior to maturity as the Corporation sells the mortgaged property, with interest at 12% and 14% payable quarterly	4,300,000	4,300,000
Other	937,738	712,738
	$143,404,080	$110,804,004

7. Share capital

Authorized	
$200,000,000 divided into 2,000,000 shares with a par value of $100 each	
Issued	
425,000 shares	$42,500,000

8. Contingent liabilities

As part of its industrial development program, the Corporation has guaranteed indebtedness and performance of certain industrial enterprises amounting to $6,834,237 (1982–$5,077,000).

9. Commitments

Under an agreement with Canadian Pacific Air Lines, Limited the Corporation is committed to spend up to $45,000,000 for the construction of a rental property to be completed by September 1, 1986.

10. Related party transactions

In the ordinary course of business, the Corporation enters into transactions with related parties including the Province of British Columbia, its agencies and other Crown corporations.

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS
for the year ended March 31, 1983

	1983	1982
Revenue		
Industrial development programs		
Land and development project sales	$ 3,809,568	$ 18,157,568
Loans and guarantees, interest and fees	12,456,073	13,931,744
Lease financing	1,015,707	1,455,589
Property rentals	171,755	334,753
Management fees	1,683,922	497,940
Interest on cash deposits	605,822	853,200
Other	115,715	67,952
	19,858,562	35,298,746
Expense		
Cost of sales, land and development projects	2,316,726	14,980,352
Interest on term debt	17,432,416	13,119,917
Property taxes	2,416,100	513,079
Salaries and benefits	2,475,735	2,143,618
Advertising and business development	1,010,277	1,255,908
General administration	1,008,271	890,744
Professional services	510,281	321,127
Depreciation and amortization	448,662	410,890
Directors' fees and expenses	91,813	82,183
	27,710,281	33,717,818
less: expenses applied to land and development projects	9,143,507	6,124,222
	18,566,774	27,593,596
Earnings before the following	1,291,788	7,705,150
Development project costs written off	5,818,005	1,919,583
Provision for losses on loans and guarantees	2,135,639	3,810,763
	7,953,644	5,730,346
Net earnings (loss) for the year	(6,661,856)	1,974,804
Retained earnings, beginning of year	7,015,155	5,040,351
Retained earnings, end of year	$ 353,299	$ 7,015,155

1. Land and development projects

	1983			1982
	Cost of Acquisition	Cost of Development	Total	Total
Land held for future development	$12,236,808	$ 9,930,808	$ 22,167,616	$22,002,213
Land and projects under development	17,186,493	20,393,314	37,579,807	38,843,631
Developed land held for sale	23,563,496	24,986,053	48,549,549	33,217,494
	$52,986,797	$55,310,175	$108,296,972	$94,063,338

A total of $4,615,936 of interest and property taxes related to certain land development projects was expensed during the year rather than capitalized because the carrying value of those projects otherwise would have exceeded their estimated net realizable value. This amount is in addition to development project costs of $5,818,005 written off during the year, most of which arose from the diminution in land values.

2. Rental properties

Land and buildings and other property which are rented to industrial enterprises are carried at cost less accumulated depreciation of $597,742 (1982 – $318,712).

	1983	1982
Land and buildings	$ 6,429,097	$ 6,758,949
Other property	740,625	–
	$ 7,169,722	$ 6,758,949

3. Other assets

	1983	1982
Premises and equipment, at cost	$ 1,254,280	$ 1,181,373
less: accumulated depreciation and amortization	498,611	357,558
	755,669	823,815
Deferred charges	962,612	1,323,698
	$ 1,718,281	$ 2,147,513

4. Small business development fund

Under an agreement with the Province of British Columbia, the Corporation has created the Small Business Development Fund to provide term loans to industrial enterprises. The fund consists of:

Assets	
Cash and bank term deposits	$ 411,033
Loans outstanding	7,791,643
Total assets	$ 8,202,676
Liabilities	
Accrued interest payable	$ 202,676
Notes guaranteed by the Province of British Columbia	8,000,000
Total liabilities	$ 8,202,676

During April, 1983 the Corporation received and deposited to the fund a further $163,420,711.

CONSOLIDATED STATEMENT OF CHANGES IN INDUSTRIAL DEVELOPMENT PROGRAMS for the year ended March 31, 1983

	1983	1982
Changes in industrial development programs		
Additions to land and development projects	**$29,417,271**	$47,028,902
less: cost recoveries and projects written off	**15,183,637**	16,683,175
transfers to rental properties	**–**	2,041,100
Net increase	**14,233,634**	28,304,627
Loan disbursements and accrued interest	**33,504,701**	20,982,067
less: loan repayments and provision for losses	**20,436,791**	19,575,008
Net increase	**13,067,910**	1,407,059
Additions to property leases receivable	**733,200**	–
less: lease payments	**203,387**	1,127,877
Net increase (decrease)	**529,813**	(1,127,877)
Additions to rental properties, net of depreciation	**410,773**	1,722,388
Net additions to programs	**$28,242,130**	$30,306,197
Financed by		
Increase in term debt	**$32,600,076**	$31,200,866
Decrease in cash	**2,872,567**	1,665,224
Net change in other assets and liabilities	**(3,105,920)**	(7,117,869)
Contributed surplus	**2,537,263**	2,583,172
Net earnings (loss) for the year	**(6,661,856)**	1,974,804
	$28,242,130	$30,306,197

Auditors' Report

To the Honourable Donald M. Phillips,
Minister of Industry and Small Business Development,
Province of British Columbia.

We have examined the consolidated balance sheet of British Columbia Development Corporation as at March 31, 1983 and the consolidated statements of earnings and retained earnings and changes in industrial development programs for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at March 31, 1983 and the results of its operations and the changes in its industrial development programs for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Campbell Sharpe

Vancouver, Canada.
May 26, 1983.

Chartered Accountants

HIGHLIGHT

LIFT: Meeting the Financing Needs of Small Business

Aimed at keeping B.C. businesses – and their employees – working through the recession and into recovery, LIFT (Low Interest Funding Today) is an important element of the provincial government's economic recovery program.

When LIFT was introduced last fall, response from the small business community was immediate and substantial, and that response has continued. Hundreds of companies suffering from high interest rates and declining markets are turning to this new financing source.

As with other business financing programs administered by the Development Corporation, LIFT loans are designated for the manufacturing, processing and high technology sectors. Strengthening these sectors helps diversify B.C.'s economic base, making the Province more competitive in world markets, and reducing dependence on primary industries. These sectors generate spin-off business for service industries and retail operations in all parts of the Province.

To qualify for LIFT loans, companies must be clearly viable under normal economic conditions, and they must show that they have significant orders in hand. These LIFT loans are designated, therefore, specifically for companies with a proven ability to recover and expand.

In approaching its responsibilities for LIFT, the British Columbia Development Corporation applies stringent credit criteria. Approved loans have been to companies with strong management and satisfactory financial controls, and to those that have found the means to establish new markets and good future prospects through diversification and aggressive marketing.

With a $50,000 LIFT loan covering start-up costs of a new laminating division, Traditional Kitchen Cabinets and Furniture Ltd. of Penticton has diversified operations and increased staff from 13 to 15.

A major factor in the assessment of applications is the employment picture. From the Corporation's perspective, jobs created and jobs preserved are very important considerations. By March 31st, LIFT loans had helped create or preserve 3,675 jobs.

Investment in the future of these companies, in the jobs they represent, and in their continued contribution to B.C.'s economy is not that of the Development Corporation alone–it is also the investment of the thousands of British Columbians who purchased B.C. Development Bonds in March, LIFT being the major program funded by the sale of these bonds.

LIFT Loans: Key Features

- TYPE A

  3-year fixed interest rate.

  Interest rate as of March 31st for new loans was 12%.

  Average loan size: $150,000–$250,000.

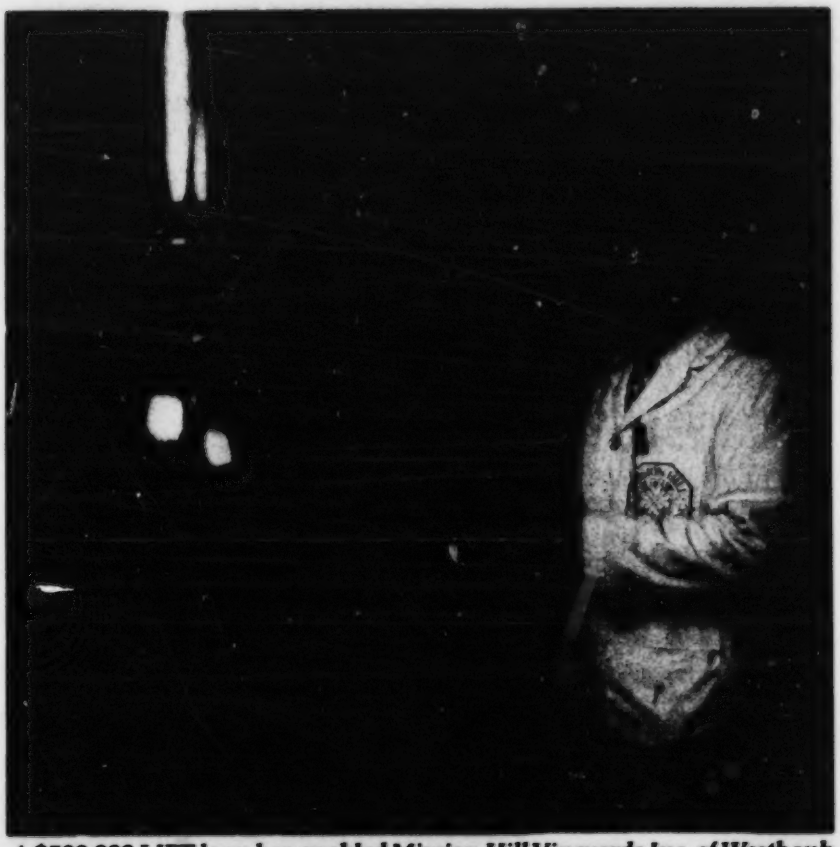
- TYPE B

  3-year low interest loan with interest rate adjusted semi-annually.

  Interest rate as of March 31st was 5.75%.

  Upper limit of loans is $200,000 (covering no more than one third of a capital project).

  Average loan size: $100,000.



A $500,000 LIFT loan has enabled Mission Hill Vineyards Inc. of Westbank in the Okanagan to purchase new equipment and continue an expansion program which has seen staff size double in the past year.

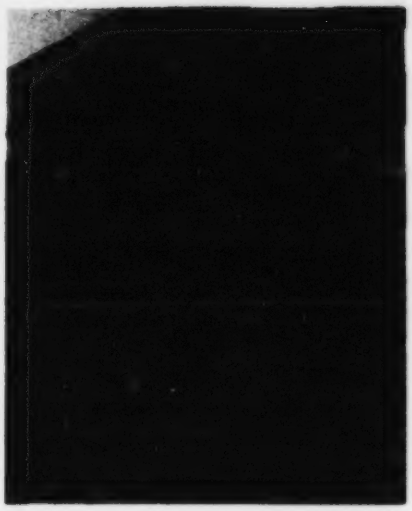
LOAN AND GUARANTEE APPROVALS FOR THE YEAR ENDED MARCH 31, 1983

INDUSTRY GROUPS	Number of Clients	Total Client Program ($000)	Participation ($000)			Employment	
			BCDC	LILA	LIFT	Created	Preserved
Food and Beverage	19	$ 6,969	$ –	$ 1,506	$ 3,302	155	105
Wood Products	25	25,260	620	1,355	6,161	309	1,052
Printing and Allied Industries	8	2,390	–	193	1,222	55	26
Metal Products	34	8,454	649	1,723	3,416	131	181
Transportation Equipment	6	1,147	–	85	752	29	113
Electrical Apparatus and Supplies	5	2,246	–	224	1,026	40	96
Scientific and Professional Apparatus	7	1,608	93	309	786	46	51
Aircraft	6	2,030	380	–	1,475	48	–
Building Products	13	5,093	47	971	3,291	79	115
Furniture	14	2,737	280	479	1,248	94	155
Plastic Products	11	2,638	117	193	1,704	52	43
Clothing and Allied Industries	14	3,068	119	543	929	131	351
Miscellaneous Manufacturing	24	10,072	1,277	1,145	2,423	109	600
	186	$73,712	$ 3,582	$ 8,726	$27,735	1,278	2,888

APPLICATION OF PROGRAM FUNDS	%	Amount
Land and Buildings	17	$12,593
Building Improvements and Additions	14	10,356
Leasehold Improvements	2	1,717
Machinery and Equipment	42	30,672
Working Capital	25	18,374
	100	$73,712

HIGHLIGHT

LONSDALE QUAY: Transformation of Waterfront Well Underway



Lonsdale Quay, the Corporation's 10-hectare waterfront redevelopment project in North Vancouver, moved several steps closer to completion during 1982–83 as two major new office complexes reached final construction stages.

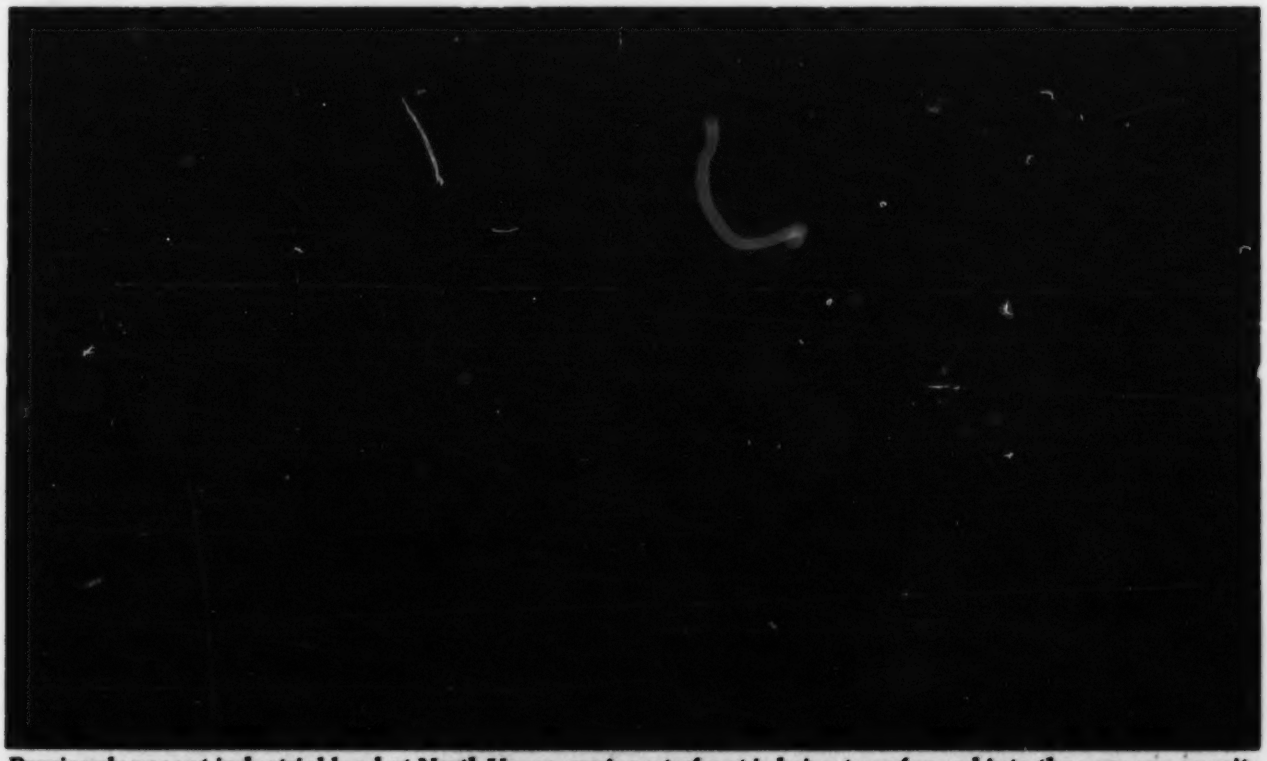
Now standing as solid cornerstones of the $140 million project are new headquarters for B.C. Rail and the Insurance Corporation of British Columbia. Complementing the award-winning architecture of the Pacific Marine Training Institute (which opened in 1981), these buildings will be occupied by some 2,000 people, meaning a substantial boost for local businesses, and a strong incentive to further development.

While construction of the new buildings progresses, the Lonsdale Quay Development Company (a subsidiary of the British Columbia Development Corporation) prepared land parcels designated for residential and commercial use, and the City of North Vancouver completed part of a new 2.6-hectare waterfront park at the site.

To draw people to the waterfront and bring a sense of community to the Quay, the Lonsdale Quay Development Company has been planning a new public market for the site. Construction of a market building, complete with retail and office space, may commence this year.

Also slated for construction are two new smaller office buildings together with an on-site restaurant.

As commercial developments proceed, Lonsdale Quay reports an increase in inquiries for residential development at the project.



Previously vacant industrial land at North Vancouver's waterfront is being transformed into the new community of Lonsdale Quay. Now in place are the Pacific Marine Training Institute (left), the B.C. Rail Centre and the new head office of the Insurance Corporation of B.C. (right).

HIGHLIGHT

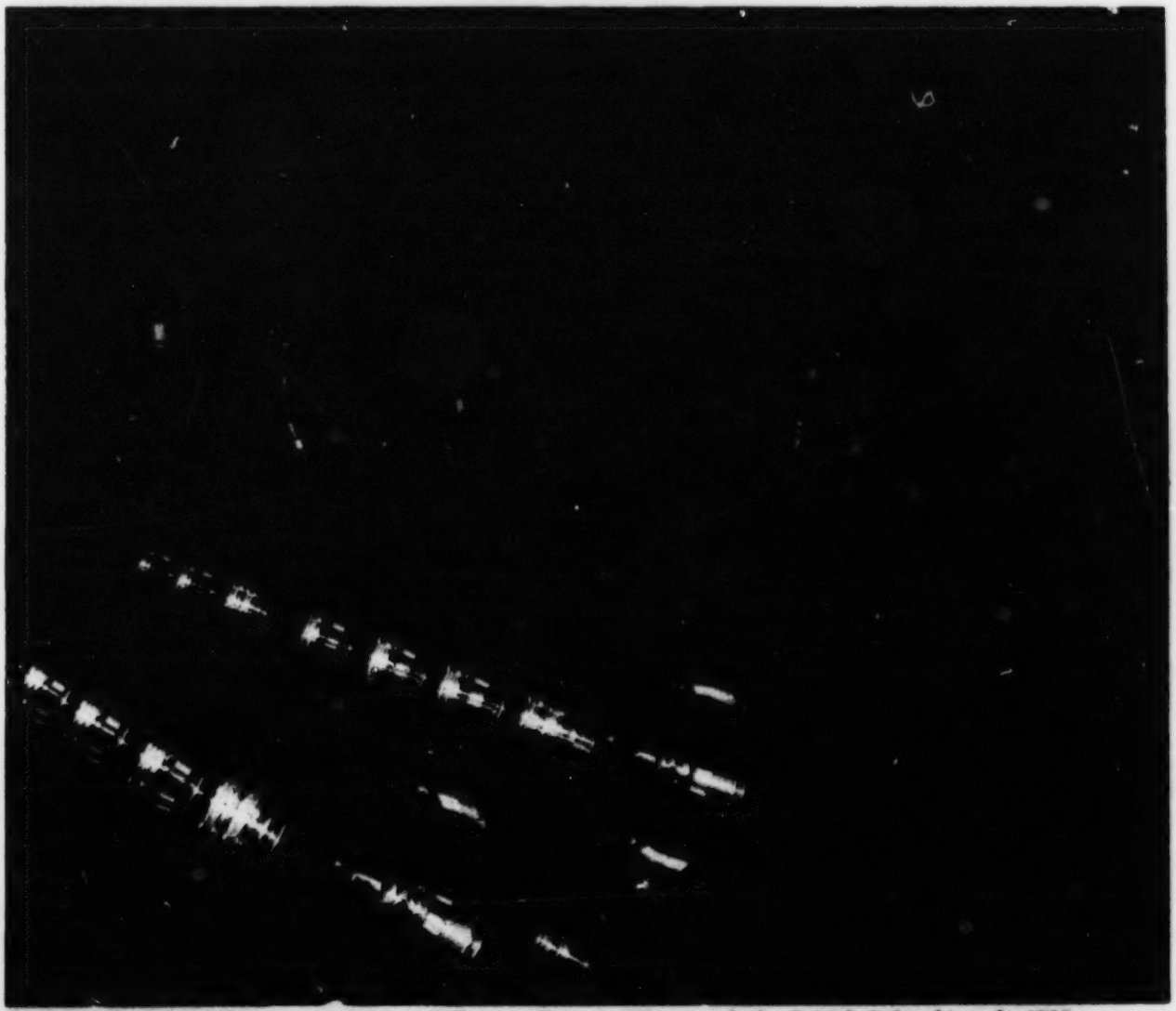
TOYOTA: New Industry Diversifies B.C. Economy

Years of complex research preceded the announcement in November 1982 that Toyota Canada would build an auto parts manufacturing plant at the B.C. Development Corporation's Tilbury Industrial Park in Delta.

To be owned and operated by a new company, Canadian Autoparts Toyota Inc., the Delta facility has plans initially to produce 240,000 aluminum wheels per year by 1985, and to employ 100 people. This will contribute a new annual payroll of more than $2 million to the local economy and bring new manufacturing technology to British Columbia.

Federal and provincial governments provided major assistance to the Toyota initiative with a $5.5 million loan to the company under the Industrial Development Subsidiary Agreement (IDSA).

The B.C. Development Corporation has participated extensively – from initial discussions and site selection studies for the Toyota plant to administration of the federal and provincial governments' IDSA loan which will finance construction of the factory building. Toyota is separately financing the acquisition and installation of equipment totalling $18 million, as well as the purchase of the 5.7-hectare site from the Development Corporation for $1.8 million.



Mass production of aluminum wheels in Tilbury will mean 100 new jobs for British Columbians by 1985.

HIGHLIGHT

TUMBLER RIDGE: Providing Land for New Business Operations

With coal mining operations at Tumbler Ridge scheduled to begin this fall, the Development Corporation has been working to ensure that land is available for the companies locating in the area to take advantage of new business opportunities. British Columbia Development Corporation is the sole developer and source of industrial and service commercial land at the new townsite.

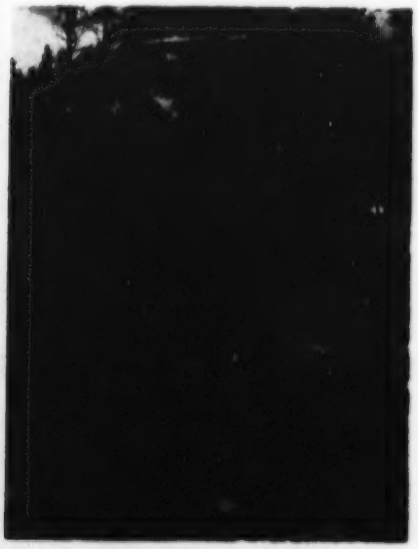
Being carved out of the wilderness in northern British Columbia, the new Tumbler Ridge townsite will house the people – and businesses – locating in the area to service the North East Coal megaproject.

Located 10 kilometres south of the Town Centre on Heritage Highway, the Tumbler Ridge Industrial Park is close to not only the town but the coal mines and air strip as well.

Subdivision and underground servicing was completed last year for the 12 hectares in the industrial park's first phase. By the end of March 1983, more than a third of the lots had been sold. Phase I will be completely serviced by late summer.

In addition to providing sites for light and heavy industry, the Development Corporation's park at Tumbler Ridge will also accommodate businesses such as automobile sales and repairs, gas stations, home improvement services, warehousing, and storage facilities.

Development Corporation construction contracts at Tumbler Ridge total $1.8 million to date.



In preparing sites for new businesses at Tumbler Ridge, the B.C. Development Corporation has awarded $1.8 million in construction contracts.

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Michael McGillivray, Vice-Chairman

John R. Bedworth, Executive Vice-President

James D. McLean, Vice-President

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Campbell Sharp
Chartered Accountants
Vancouver

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